GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:1470
ANSWERED ON:30.07.2003
IPO OF MARUTI UDYOG LIMITED
K. KARUNAKARAN

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether response to the first offer-IPO of Maruti Udyog Limited was over-whelming;

(b) if so, the details of terms and conditions thereof;

(c) the circumstances and reasons for taking such decision and the extent to which the issue was over-subscribed;

(d) whether it was offered to general public investors or to institutional investors;

(e) whether this has led to disinvestments in respect of other profit making public sector undertakings and enterprises; and

(f) if so, the details thereof?

Answer

MINISTER OF LAW AND JUSTICE AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) Yes, Sir.

(b) The `Offer for Sale` by Government of approximately 25% equity holding in Maruti Udyog Ltd., was a domestic offering with participation of Indians and global investors as permitted by law, through the book building process.

(c) The IPO was undertaken according to the terms of the Revised Joint Venture Agreement entered into by Government with Suzuki Motor Corporation, which inter alia incorporates the roadmap of disinvestment by Government of India of its shares in Maruti Udyog Ltd. The issue was over-subscribed by more than 10 times.

(d) The `Offer for Sale` was made to both institutional and non-institutional investors as per SEBI guidelines.

(e) No, Sir. Government has been taking up the disinvestment of Public Sector Undertakings over the past several years in accordance with a well-defined policy.

(f) Does not arise.